

REMARKS

Claims 1-5 and 24 are pending in this application. Claims 1, 3, 5 and 24 are the independent claims. Claims 1, 3 - 5 and 24 have been amended.

By way of background, there was an ExParte Quayle Action in this application, mailed July 3, 2001, finding the pending claims in a condition for allowance except for certain formal matters. Those formal matters were addressed in an Amendment filed July 20, 2001.

Almost two years after that Amendment, the present Office Action was mailed. That Office Action rejects claim 5 under 35 U.S.C. §102(e) as anticipated by U.S. Patent No. 5,794,207 to Walker et al.; and rejects claims 1-4 and 24 under 35 U.S.C. 103(a) as obvious from Wladis, John D. "U.C.C. Section 2-207: the drafting history," Business Lawyer (May 1994). These rejections are respectfully traversed.

As a threshold matter, the applicant notes that the publication date of Walker is August 11, 1998, less than six months prior to the February 5, 1999, filing date of the present application. Walker, therefore, is not prior art to the present application under 35 U.S.C. § 102(b). Accordingly, while the applicant will address the rejections based upon Walker on the merits, this is in no way to be construed as an admission that Walker is in fact prior art.

As recited in the claims, the present invention relates to a system or method for allowing plural participants to prepay for services or goods to be received at a future date from one of a plurality of specified providers. In the present invention, contracts are executed between an administering entity and each of the participants, in which the participant pays a cash amount to the administering entity and in return

receives a promise to deliver at a future date a specified measure of services or goods. The service or goods are to be provided by whichever of the providers the participant selects with the selection being made by the participant substantially on the future date.

For each of the specified providers, a predicted total measure of services or goods that will be required from the aggregate of the participants is determined. Then, contracts are executed between the administering entity and each of the plurality of specified providers, in which the administering entity pays a cash amount to the provider, and in return receives a promise to deliver a specified measure of services or goods. And in accordance with each of the pending claims, the cash amounts that correspond to the measures of services or goods are set by the providers. That is to say, the providers set the prices.

To illustrate an example, and without limiting the broad applicability of the claims, the present invention may be used to implement a pre-paid college tuition program. In such a system, parents (participants, in the parlance of the claim) prepay tuition for college education (a good or service, in the parlance of the claim), to be received when their child reaches college age (a future date, in the parlance of the claim) from any one of several colleges (a plurality of specified providers, in the parlance of the claim). Contracts are executed between an administering entity and each of the parents, in which the parents make a tuition prepayment, and receive a promise to deliver in the future a specified measure of educational services (such as, for example, a year of schooling). That schooling will be provided by whichever of the specified colleges the parent selects. And the parent will make that selection at a time at which the child is

ready to enroll in college, i.e. substantially on the future date on which the good or service will be provided.

For each college, a predicted total measure of schooling that will be required from the aggregate of the parents in the program is determined. Then, contracts are executed between the administering entity and each of the colleges, in which the administering entity pays a cash amount to the college, and in return receives a promise to deliver a specified measure of schooling.

Thus, it is a salient feature of the claims that the participant selects the provider at a future date subsequent to the date on which he pays. In simpler terms, the participant pre-pays first, and selects his provider (e.g., the college) afterwards. This approach is critical to a pre-paid college tuition program, in which parents are not in a position to select a college when their children are young, since among other things they will not know at that point whether their children will be accepted by given colleges.

Walker relates to a method of effecting a so-called “reverse auction,” that allows a buyer interested in a good or service to specify the price that he or she is willing to pay. The Walker system is implemented by inputting into a computer a conditional purchase offer (CPO), stating the price the buyer is willing to pay and the specifics of the goods or services desired. A payment identifier is also input to the computer. The computer then outputs the CPO to a plurality of sellers. Any seller willing to accept the CPO then notifies the computer, which in turn provides the payment identifier to the seller so that the transaction can be finalized.

It is central to the Walker system that the buyer does not select, and in fact is not permitted to select, which provider will provide the goods or services. Instead, the

buyer by placing his bid is contracting to purchase the goods or services from whichever of the providers meets that price. This is in stark contrast to the system and method of the present invention, in which the selection of the provider is made by the contracting participant substantially on the future date on which the services or goods will be provided.

Wladis is merely a lawyer's article about section 2 -207 of the Uniform Commercial Code (U.C.C.), which deals with qualified and conditional acceptance of contracts. As conceded by the Examiner, Wladis fails to teach a host of the features of the present invention. These missing features would not have been at all obvious from Wladis.

The portion of Wladis cited by the Examiner describes a very conventional transaction, which occurred circa 1919, in which a seller gave a buyer a written offer to furnish iron work, and the buyer wrote an acceptance in reply. The seller subsequently placed an order for the iron work with a manufacturer. This simple transaction -- an offer, and acceptance and a purchase of the product from a manufacturer for provision to the seller -- cannot possibly render obvious the present claims.

For example, in the transaction described in Wladis, the manufacturer was selected by the seller, and not by the buyer. In the present invention, in stark contrast, the selection of the provider is made by the contracting participant substantially on the future date on which the services or goods will be provided. This novel feature of the present invention -- which is absent completely from Wladis -- allows it to be used to implement, for example, a pre-paid college tuition plan, in which parents pay early-on (such as when their children are young) and later (such as when their children are ready to attend

college) are provided with the educational services, from whichever of the educational institutions they select. The simple transaction of Wladis, of course, could not possibly be used to implement such a program.

Accordingly, the applicant respectfully submits that the independent claims are not anticipated or rendered obvious by Walker, Wladis or any combination of the two.

The remaining claims also recite the features of the independent claims discussed above, and are believed to be patentable for the same reasons. In addition, these claims recite additional patentable features of the present invention, and individual consideration of each is respectfully requested.

CONCLUSION

In view of the foregoing remarks, the Examiner is respectfully requested to remove the rejections and allow the pending claims.

The applicant's undersigned attorney may be reached in our New York office by telephone at (212) 218-2100. All correspondence should continue to be directed to our address given below.

Respectfully submitted,



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